

# Agenda Item Form

Agenda Date: 9/21/2004

Districts Affected: All

Dept. Head/Contact Information: Juan F. Sandoval

## Type of Agenda Item:

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Resolution            | <input type="checkbox"/> Staffing Table Changes   | <input type="checkbox"/> Board Appointments        |
| <input type="checkbox"/> Tax Installment Agreements       | <input type="checkbox"/> Tax Refunds              | <input type="checkbox"/> Donations                 |
| <input type="checkbox"/> RFP/ BID/ Best Value Procurement | <input type="checkbox"/> Budget Transfer          | <input type="checkbox"/> Item Placed by Citizen    |
| <input type="checkbox"/> Application for Facility Use     | <input type="checkbox"/> Bldg. Permits/Inspection | <input type="checkbox"/> Introduction of Ordinance |
| <input checked="" type="checkbox"/> Interlocal Agreements | <input type="checkbox"/> Contract/Lease Agreement | <input type="checkbox"/> Grant Application         |
| <input type="checkbox"/> Other _____                      |   |  |

## Funding Source:

- ☐ General Fund
- ☐ Grant (duration of funds: \_\_\_\_\_ Months)
- ☐ Other Source: \_\_\_\_\_

## Legal:

- ☒ Legal Review Required      Attorney Assigned (please scroll down): Ruth Reyes      ☒ Approved      ☐ Denied

Timeline Priority:   ☒ High      ☐ Medium      ☐ Low      # of days: \_\_\_\_\_

## Why is this item necessary:

\_\_\_\_\_

Explain Costs, including ongoing maintenance and operating expenditures, or Cost Savings:

\_\_\_\_\_

## Statutory or Citizen Concerns:

\_\_\_\_\_

## Departmental Concerns:

\_\_\_\_\_



**TAX OFFICE**  
**MEMORANDUM**

**TO:** City Manager and Mayor and Council

**FROM:** Juan Sandoval  
Tax Assessor/Collector

**DATE:** September 14, 2004

**SUBJECT:** Back Up Information for Inter-local Agreement With The El Paso Central Appraisal District

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State law requires the El Paso Central Appraisal District to add a 10% penalty on businesses that render their property late. The approval of this inter-local agreement would allow the tax office to collect the fee on behalf of the El Paso Central Appraisal District.

The taxing entities receive 80% of the fee while CAD gets 20%. We estimate the City's share of this new revenue to be about \$169,000 for fiscal 2005.

I recommend approval.

/bv

## **RESOLUTION**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

**THAT** the Mayor be authorized to sign an Interlocal Governmental Agreement by and between the City of El Paso ("City") and the Central Appraisal District ("CAD") to assist the CAD in the collection of the penalty for failing to file timely rendition statements and the penalty for filing fraudulent statements.

**ADOPTED** this 21<sup>st</sup> of September 2004.

**CITY OF EL PASO**

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Joe Wardy, Mayor

**ATTEST:**

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Richarda D. Momsen, City Clerk

**APPROVED AS TO FORM:  
CONTENT:**

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Ruth Reyes  
Assistant City Attorney

**APPROVED AS TO**

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Juan Sandoval  
City Tax Assessor Collector

STATE OF TEXAS       )  
                                  )  
COUNTY OF EL PASO    )

**Interlocal Governmental Agreement**

This Agreement is entered into by and between the **City of El Paso**, a municipal corporation situated in El Paso County, Texas, hereinafter called the "City", and the **Central Appraisal District**, a political subdivision of the State of Texas, hereinafter called the "CAD", pursuant to the Interlocal Cooperation Act, Sec. 791.001, et seq., Texas Government Code.

**W I T N E S S E T H**

**WHEREAS**, Section 22.01 of the Texas Tax Code requires persons to render for taxation to the chief appraiser for the district all taxable personal property used for the production of income that the person owns or that the person manages and controls as a fiduciary and when required, any other taxable property that he owns or that he manages and controls as a fiduciary; and

**WHEREAS**, Section 22.28 of the Tax Code requires the chief appraiser to impose a ten percent (10%) penalty on a person who fails to timely file a rendition statement or property report as required and to retain a portion of the penalty collected, not to exceed twenty percent (20%) of the amount of the penalty to cover its costs of collection, and to distribute the remainder of the penalty to each taxing unit participating in the appraisal district that imposes the taxes on the property in proportion to the taxing unit's share of the total amount of taxes imposed on the property by all taxing units participating in the district; and

**WHEREAS**, Section 22.29 of the Texas Tax Code requires the chief appraiser to impose an additional penalty on a person equal to fifty percent (50%) of the total amount of taxes imposed on the property for the tax year of the statement or report by the taxing units participating in the appraisal district if it is finally determined by a court that the

person filed a false statement or report with the intent to commit fraud or evade the tax or the person alters, destroys, or conceals any record, document, or thing, or presents to the chief appraiser any altered or fraudulent record, document, or thing, or otherwise engages in fraudulent conduct, for the purpose of affecting the course or outcome of an inspection, investigation, determination, or other proceeding before the appraisal district; and

**WHEREAS**, the parties desire to enter into this agreement to allow the City's tax assessor collector to assist the CAD in the collection of the penalties; and

**WHEREAS**, the City and the CAD each agree to accept the responsibility to adhere to all pertinent federal, state, and local laws or regulations.

**NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:**

1. **ARTICLE I – PURPOSE.** The purpose of this Agreement is to allow the City's Tax Assessor Collector to assist the CAD in collecting the ten percent (10%) penalty the chief appraiser is authorized to impose on persons who fail to timely file a rendition statement or property report and to assist the CAD in collecting the fifty percent (50%) additional penalty for fraud or intent to evade; and to distribute to the CAD twenty percent (20%) of the amount of the penalties to cover its costs of collecting the penalties; and to distribute the remainder of the penalties to each taxing unit participating in the appraisal district that imposes taxes on the property in proportion to the taxing unit's share of the total amount of taxes imposed on the property by all taxing units participating in the district. In accordance with this purpose, the Chief Appraiser shall refer all rendition penalties imposed upon property owners in accordance with law to the City Tax Assessor-Collector for billing and collection; The City Tax Assessor-Collector agrees to include such penalties with billings for property taxes imposed on the person who owes the penalty for failure to timely render taxable personal property.

2. **ARTICLE II – TERM.** The term of this Agreement shall commence on September 21, 2004 and shall be in effect until August 31, 2005, and shall be automatically renewed thereafter on a year to year basis and remain in effect until terminated by mutual consent of the parties or by effective written notice of any party. The Agreement shall continue in effect until it has been terminated by either party by giving 30 days written notice to the other party. The CAD agrees to cooperate in the process of providing or allowing access to all necessary records, data, or other information necessary for the City to collect the penalties. The CAD shall reimburse the City for any additional costs incurred by the City in providing them with this information.
3. **ARTICLE III- SERVICE COSTS.** For the services set above, the CAD agrees to pay the City the actual costs incurred by the City in collection of the penalties. The actual costs will vary from year to year. As of the effective date of this contract, the actual costs are reflected upon the proposed consolidated tax budget which is attached and marked Attachment “A”. On or before April 20, 2005, and each year thereafter during which this contract continues, the City will present to the CAD a range of costs of collection for the coming year and a preliminary estimate of costs of service. The cost will be on a price per parcel basis which will be the same price per parcel as that paid by the City and County of El Paso. The City shall provide the CAD information related to the penalties collected and disbursed on a monthly basis and provide annual reports for auditing purposes. The CAD shall identify accounts subject to the penalties and submit the information to the City in a format compatible with the City’s tax collection system.. The CAD agrees to pay the City the service costs on a monthly basis, within 15 days of receipt of invoice from the City. Such invoices shall not exceed the costs established above. The parties agree that the consolidation effort is in their mutual benefit and to the benefit of the taxpayers, and also that the schedule of payments set forth above

provides for reasonable and adequate consideration for the services performed under this Contract.

4. **ARTICLE IV – INDEMNITY.** CAD agrees, to the extent allowed by law, to indemnify and hold harmless the City for any and all claims, liabilities, and expenses incurred as a result of the CAD’s breach or nonperformance of this contract and its obligations or for the negligence of any officer, agent or employee of the CAD. In the event any such liability occurs, CAD agrees to comply with Constitutional and Statutory requirements for the satisfaction of debts.
5. **ARTICLE V – NOTICES.** All notices provided for herein shall be sufficient if sent by certified or registered mail, return receipt requested, postage fully prepaid, addressed to the proper party at the following addresses:

CITY: City of El Paso  
Attn: Mayor  
2 Civic Center Plaza, 10<sup>th</sup> Floor  
El Paso, Texas 79901-1196

COPY TO: City of El Paso  
Attn: Tax Assessor Collector  
2 Civic Center Plaza, 1st Floor  
El Paso, Texas 79901-1196

CAD: Central Appraisal District  
Attn: Chairman of the Board  
5801 Trowbridge  
El Paso, Texas 79925-3345

COPY TO: Central Appraisal District  
Attn: Executive Director/Chief Appraiser  
5801 Trowbridge Dr.  
El Paso, Texas 79925-3345

6. **ARTICLE VI - LEGAL RELATIONSHIP.** Nothing contained herein shall be construed as creating the relationship of employer and employee or principal and agent between the City and the CAD. Each party is responsible for their own acts and deeds

and for those of their agents, employees, and contractors during the performance of any work or services to the extent provided by law.

7. **ARTICLE VII – AMENDMENTS.** This Agreement may be amended by mutual agreement of the parties hereto in writing to be attached to and incorporated into this Agreement.
8. **ARTICLE VIII - LEGAL CONSTRUCTION.** In case any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect such invalidity, illegality, or un-enforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
9. **ARTICLE IX - ENTIRE AGREEMENT.** This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other agreement, statement, or promise relating to the subject matter of this Agreement which is not contained herein shall be valid or binding.



EXECUTED this 21<sup>ST</sup> day of September 2004.

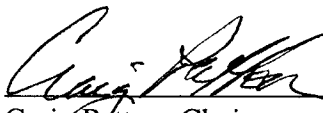
THE CITY OF EL PASO

\_\_\_\_\_  
Joe Wardy, Mayor

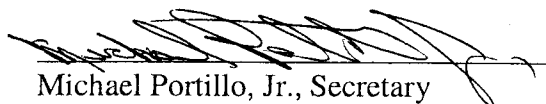
ATTEST:

\_\_\_\_\_  
Richarda D. Momsen, City Clerk

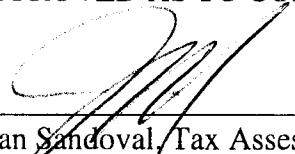
EL PASO CENTRAL APPRAISAL DISTRICT

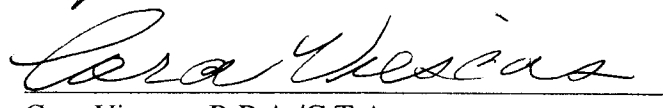
  
\_\_\_\_\_  
Craig Patton, Chairman of the Board

ATTEST:

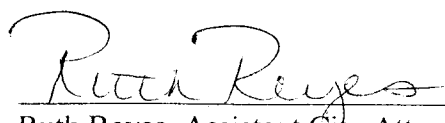
  
\_\_\_\_\_  
Michael Portillo, Jr., Secretary

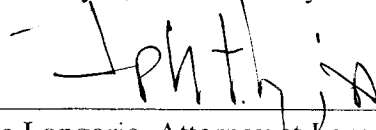
APPROVED AS TO CONTENT

  
\_\_\_\_\_  
Juan Sandoval, Tax Assessor/Collector

  
\_\_\_\_\_  
Cora Viescas, R.P.A./C.T.A.  
Executive Director/Chief Appraiser

APPROVED AS TO FORM

  
\_\_\_\_\_  
Ruth Reyes, Assistant City Attorney

  
\_\_\_\_\_  
Joe Longoria, Attorney at Law